



# National State Auditors Association

August 1, 2005

William G. Holland  
Auditor General  
Iles Park Plaza  
740 East Ash  
Springfield, Illinois 62703-3154

Dear Mr. Holland:

We have reviewed the system of quality control of State Of Illinois, Office of the Auditor General in effect for financial audits, compliance examinations and single audits conducted for the years ending April 30, 2004; June 30, 2004; December 31, 2004 which were released on or before June 30, 2005, and performance audits issued between July 1, 2004 and June 30, 2005. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with government auditing standards. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system, and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with government auditing standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of State Of Illinois, Office of the Auditor General in effect for financial audits, compliance examinations and single audits conducted for the years ending April 30, 2004; June 30, 2004; December 31, 2004 which were released on or before June 30, 2005, and performance audits issued between July 1, 2004 and June 30, 2005 has been suitably designed and was complied with during the period to provide reasonable assurance of conforming with government auditing standards.

Therese Regner, CPA  
Team Leader  
National State Auditors Association  
External Peer Review Team

Margaret L. Andros, CPA  
Concurring Reviewer  
National State Auditors Association  
External Peer Review Team